Clerk of the House of Representatives	Secretary of the Senate
Legislative Resource Center	Office of Public Records
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Washington, DC 20515	Washington, DC 20510

Secretary of the Senate
Received: Aug 12, 2005

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required To Complete This Page**

1. Registrant Name:

ALUMINUM ASSN

2. Address:
900 19TH ST NW #300, WASHINGTON, DC 20006

3. Principal place of business (if different from line 2):

4. Contact Name: J. STEPHEN LARKIN
Telephone: 202-862-5194
E-mail (optional): slarkin@aluminum.org

Senate ID #: 1216-12
House ID #:

7. Client Name: ☒ Self

TYPE OF REPORT

8. Year 2005 Midyear (January 1 - June 30): ☒ **OR** Year End (July 1 - December 31): ☐

9. Check if this filing amends a previously filed version of this report: ☒

10. Check if this is a Termination Report: ☐ => Termination Date: 11. No Lobbying Activity: ☐

INCOME OR EXPENSES

Complete Either Line 12 **OR** Line 13

12. Lobbying Firms

INCOME relating to lobbying activities for this reporting period was:

Less than $10,000: ☐

$10,000 or more: ☐ => Income (nearest $20,000):_____

Provide a good faith estimate, rounded to the nearest $20,000, of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSES relating to lobbying activities for this reporting period were:

Less than $10,000: ☐

$10,000 or more: ☒ => Expenses (nearest $20,000): 62,000.00

14. Reporting Method.
Check box to indicate expense accounting method. See instructions for description of options.

☒ **Method A.** Reporting amounts using LDA definitions only
☐ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code
☐ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

LOBBYING ACTIVITY.

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: ENG (one per page)

16. Specific lobbying issues:

Americans consume aluminum primarily in transportation (31 percent), containers and packaging (23 percent), and building and construction (14 percent). The advances in the automotive aluminum market are helping Americans drive better-performing cars that in turn reduce CO2 emissions and save fuel consumption. Closed-loop recycling of aluminum beverage cans|all recycled cans are used in new can sheet--allows energy conservation and high recycled content. More than two-thirds of all aluminum ever produced is still in use through continuous aluminum recycling. Recycled aluminum|from beverage cans to all other uses|requires only about 5 percent of energy as compared to primary-ore production. Americans' recycling efforts and the industry's aluminum reclamation system thereby reduces the overall energy consumption in total U.S. aluminum production by 46 percent. Primary production consumes 507.16 trillion BTUs for 8 billion pounds, and recycled secondary uses 41.3 trillion BTUs for 8.2 billion pounds, making the national industry energy consumption for production 548 trillion BTUs. Energy represents about one third of the total production cost of primary aluminum. Electricity is an essential ingredient in primary aluminum production. These factors together make energy efficiency and energy management prime objectives for the industry. While the industry is a large consumer of both natural gas and electricity, the annual expenditure for electricity by the aluminum industry is more than $2 billion. Manufacturing industries need Congress to complete action on President Bush's comprehensive energy proposals so that the economy will benefit from adequate supplies at reasonable prices over the long term. Since the 1970s, U.C manufacturing energy consumption has grown at twice the rate of domestic energy production. This gap between energy use and production will continue to adversely affect manufacturing if the country does not resolve national energy policy with a comprehensive U.S. energy strategy that enhances supply, improves infrastructure and increases efficiency, without compromising environmental safeguards or imposing efficiency mandates. Many business and labor leaders, economists, and policymakers agree that America must: increase domestic energy supplies in an environmentally sensitive manner; improve energy efficiency, conservation and development of new technologies; expand and secure our energy delivery infrastructure; ensure affordable home energy supplies for low-income households; and thoughtfully streamline energy development regulatory processes. President Bush on Jan. 28, 2003 asked Congress to pass a comprehensive energy bill that promotes energy "independence for our country, while dramatically improving the environment." He said, "the greatest environmental progress will come about not through endless lawsuits or command-and-control regulations, but through technology and innovation." Electricity The Aluminum Association supports the principles of electricity consumer choice and open access transmission, applied uniformly in the United States through a national system. However the industry does not support proposals for total federal pre-emption in all areas related to deregulation and restructuring. The Aluminum Association supports the establishment of a system that recognizes some inherent regional advantages in the cost of electricity. Consumer-choice legislation should not be tied to excessive taxing of electricity consumers to fund public benefits or a national mandatory Standard Market Design. With artificial-market disadvantages, it may be impossible to operate or restore and primary smelting capacity in the Northwest U.S., and other regional aluminum plants will be similar to similar concerns. The recommended approach is to provide short-term policies to help the industry survive the transition to a rational market situation, and provide long-term policies to restore supply-demand balance in electricity markets. Recommended policy solutions: 1. Provide for the creation of incentives that will create sufficient generating capacity to service peak demand and provide a reserve margin that will prevent brownouts and seasonal price spikes. 2. Create a pricing and/or auction mechanism for the purchase of long-term, reasonably priced supply, encouraging new generating-plant construction, especially base load supply. 3. Create demand-management pricing (including cost-of-service, time-of-use, and seasonal pricing) that gives consumers appropriate price signals allowing for conservation and reducing overbuilt capacity for peaking loads. 4. Encourage low cost-to-serve customers that have significant off-peak demand, to provide off-peak load for generating plants. 5. Create national ratings and standards that assess generation and transmission reliability. 6. Create national standards for grid design and maintenance to assure supply portability with low-load losses to help balance supply and demand on both a regional and national basis. Promote system efficiency and lower cost. 7. Assure economic access to the grid for new and current generation capacity that meets national standards of quality and reliability. 8. Require BPA to control costs to make up financial deficits rather than enact rate increases that threaten the viability of manufacturing customers. 9. Amend the 1980 Northwest Power Act to exempt the Northwest aluminum industry and other traditional Direct Service Industrial Customers of BPA from the New Large Single Load prohibitions of that Act as BPA discontinues service to those customers, allowing indirect access to power. Electricity Notes: In the Northwest Power Act of 1980, the Congress and BPA sought to keep the Northwest aluminum industry and several other traditional Direct Service Industrial Customers [DSIs] of the Bonneville Power Administration as BPA customers. For that purpose, the Act includes the New Large Single Load (NLSL) provisions that preclude the DSIs from receiving the benefits of the Federal hydro system by purchasing such power from any utility except BPA. Since BPA controls about half of the power marketed in the region and has announced its intention to discontinue all electricity service to the DSIs, the effect of the 1980 NLSL prohibition is to deny the aluminum industry access to half|the lowest priced half|of the electricity market in the region. This unintended consequence of the Northwest Power Act threatens the existence of 40 percent of the U.S. primary aluminum industry and 5 percent of world supply. Natural Gas The high cost of natural gas in the U.S. is having a devastating impact on manufacturing competitiveness and jobs. U.S. natural gas production has been stagnant since 1995 even though there is an abundant resource base while prices are double their historical base. The manufacturing sector has lost 2 million jobs since 1998 and energy costs are viewed as a major contributing factor. It is vital that Congress act quickly to stem the national energy crisis by enacting legislation that provides a robust, diverse and affordable supply of energy. It is particularly critical that Congress and the states act to increase supply of natural gas, and address regulations such as New Source Review to make it easier for power generators to meet air quality standards without switching from coal to natural gas. Congress

must also expedite commercialization of clean coal technology, the ultimate solution for power generation using coal in an environmentally acceptable manner. As of January, 2003, the Henry Hub wholesale price of natural gas was over $5.00 per million Btu and is more than twice the average price of $1.97 per million Btu from 1991 to 1998. U.S. natural gas production has fallen for three straight quarters. Prices in Europe, Brazil and China are less than in the United States. Industrial energy consumers, already weakened by a fragile economy, are threatened with further loss of global competitiveness placing jobs at risk. Natural gas prices are essentially double the historical base. U.S. natural gas production has been stagnant at 19 trillion cubic feet per year since 1995, even though demand has continued to increase and relatively abundant amounts of natural gas reserves exist. There has been no increase in domestic production even though prices from January 2000 to January 2003 are more than double the average price from 1991-1998. In fact, U.S. production in 1970 was higher at 21 trillion cubic feet per year. Other problems include alleged natural gas price index manipulation. Power generators are being compelled to switch from coal to natural gas because of New Source Review. There is pending federal and state legislation that increases demand for natural gas without access to additional supply. Mexico is now a net importer of U.S. natural gas. Mexican demand has been forecast to accelerate, placing even higher demands on available U.S. gas supplies. Certainty of an affordable energy supply is essential to capital investment in the manufacturing sectors that provide high paying jobs. Putting the U.S. on the path to a reliable and affordable supply of domestic energy is essential to this country's short-term economic rebound and future long-term growth prospects. All supply options should be considered to contribute to a diverse and robust supply of energy. Every major energy crisis since 1973 was followed by an economic recession. The recent energy crisis of 2000-2001 was no different. The link between affordable supplies of energy and our economic well being is no coincidence. Industrial energy-consuming companies were devastated by high-energy costs that resulted in plant closures, plant idling, worker layoffs, and the transfer of production to offshore facilities. This same scenario is being repeated again, only from a smaller base of manufacturing plants and jobs that may never return. Recommended policy solutions: 1. Reconsider expired Section 29 Tax Credits which historically had an important impact on increasing natural gas production from 1990 to 1999 (January 2002 EIA report). For companies who used section 29 tax credits, natural gas production increased by 26%, but decreased by 14% for those who did not. 2. More reservoirs should be targeted with relatively fewer wells. The half-life of natural gas wells in the contiguous 48 states has fallen by 49 percent in only nine years and the rate is accelerating. Even though the 2000-2001 natural gas price spike almost tripled the number of drilling rigs in operation, the resulting natural gas supply increase was insignificant. This means they are drilling a lot of wells into common reservoirs that are getting smaller and depleting faster. 3. Expedite access to federal lands that offer the greatest potential to find large reserves of natural gas and with minimal environmental impact. 4. Expedite permitting and construction of the Alaska natural gas pipeline. 5. Initiate a FERC rulemaking process to establish a "natural gas price index protocol" to bring accuracy, integrity and accountability to how natural gas prices are being reported and communicated to the market. 6. Expedite permitting and construction of Liquefied Natural Gas terminals. 7. Address New Source Review regulations in a manner that makes it easier for power generators to meet air quality standards without fuel switching from coal to natural gas. 8. Expedite commercialization of clean coal technology, the ultimate solution for power generation using coal in an environmentally acceptable manner. 9. Avoid any federal or state legislation that will directly or indirectly force fuel switching to natural gas without commensurate supply. 10. Maintain ability of end users to connect directly to interstate natural gas pipelines on a non-discriminatory basis. 11. Strengthen firewalls between the regulated and unregulated portion of companies who trade natural gas to prevent self-dealing. 12. Embrace serious bilateral negotiations with the government of Mexico to allow exploration and production access to their natural gas reserves. 13. Streamline the regulatory process at Federal Energy Regulatory Commission, Bureau of Land Management, Department of Interior, Environmental Protection Agency and Department of Commerce to encourage expeditious natural gas pipeline certification and construction commensurate with health and environmental protection.

17. House(s) of Congress and Federal agencies contacted:
Commerce, Dept of (DOC)
Environmental Protection Agency (EPA)
Interior, Dept of (DOI)

18. Name of each individual who acted as a lobbyist in this issue area:

Name: LARKIN, J. STEPHEN
Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above.**None**

LOBBYING ACTIVITY.

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: MAN (one per page)

16. Specific lobbying issues:

The Aluminum industry operates about 470 plants in 40 U.S. states, employs nearly 100,000 people with approximately $3.5 billion total payroll. While Association member companies conduct business worldwide, the U.S aluminum industry ranks first in the world in annual primary aluminum production capacity, accounting for about 16 percent of world supply or over 8 billion pounds of metal. The Association represents U.S. primary producers of aluminum, recyclers, and producers of semi-fabricated products. Americans consume aluminum primarily in transportation (32 percent), containers and packaging (21 percent), and building and construction (13 percent). The advances in the automotive aluminum market are helping Americans drive better-performing cars that in turn reduce CO2 emissions and save fuel consumption. Recycled aluminum|from beverage cans to all other uses|requires only about 5 percent of energy as compared to primary-ore production. Americans' recycling efforts and the industry's aluminum reclamation system thereby reduce the overall energy consumption in total U.S. aluminum production by 46 percent. Progress on Emissions Reductions The aluminum industry's Voluntary Aluminum Industrial Partnership is committed to make reductions in two potent PFCs, tetrafluoromethane (CF4) and hexafluoroethane (C2F6). Twelve companies in this aluminum industry program were recognized by President George W. Bush's 2002 Climate Change Report for meeting their 2000 goal to reduce PFC emissions from U.S. primary aluminum smelting by 45%|equivalent to 2.2 million metric tons of carbon dioxide annually|using cost-effective approaches that make economic and environmental sense for the partners. 2002 Industry Statement on Greenhouse Gas Reductions 1. Scientists have determined that the earth is gradually warming due, in part, to increased atmospheric concentrations of greenhouse gases. 2. The aluminum industry recognizes that climate change presents a challenge that requires cooperative action on a global basis. 3. The recycling of aluminum requires 95% less energy and produces 95% lower greenhouse gas emissions than the production of primary aluminum. 4. Life cycle studies of aluminum's use in North American automotive applications show that replacing two pounds of steel with one pound of aluminum to lightweight a vehicle can save on a typical mid-size sedan 20 pounds of CO2 emissions over the lifetime of that vehicle. The use of automotive aluminum has doubled since 1991 and is expected to double again by 2005. The ability for aluminum to impact transportation related greenhouse gas emissions is important. 5. The aluminum industry has a voluntary greenhouse gas emission reduction program in place. This voluntary partnership with EPA has been renewed through 2005. The 1990 to 2000 phase of the program resulted in about a 45% reduction in PFC (tetraflouromethane [CF4] and hexaflouroethane [C2F6]) emissions below 1990 levels from the primary aluminum production process. This common sense, cost effective program was among the first voluntary programs developed with EPA and has produced annual emission reductions of over 2.2 MMTCE. 6. Since the Industry has taken the initiative to voluntarily reduce its process greenhouse gas emissions, it strongly supports policies and programs that credit for early action taken in reducing greenhouse gases since 1990. The Industry also supports efficient and economically sound emissions trading programs and registries that recognize early emissions reductions. 7. The industry supports and participates in public/private partnerships to spur pre-competitive research to reduce greenhouse gas process emissions and to promote energy saving aluminum product applications. 8. The industry supports a responsible approach to growth in demand for its products and the consequent growth in activity and related emissions, noting that solutions to the climate change issue involve both reducing emissions at source and also over the full lifecycle of the material or products.

17. House(s) of Congress and Federal agencies contacted:
Environmental Protection Agency (EPA)
HOUSE OF REPRESENTATIVES
SENATE

18. Name of each individual who acted as a lobbyist in this issue area:

Name: LARKIN, J. STEPHEN
Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above.**None**

LOBBYING ACTIVITY.

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: TRD (one per page)

16. Specific lobbying issues:

The members of The Aluminum Association are domestic producers of primary and secondary ingot, aluminum mill products and castings. Mill products include sheet and plate, foil, extrusions, forgings and impacts, electrical conductor, and wire, rod and bar. The membership also includes producers of master alloys and additives and aluminum pigments and powders. The Association is a primary source for statistics, technical standards and information on aluminum and the aluminum industry in the United States. The Aluminum industry operates about 470 plants in 40 U.S. states, employs nearly 100,000 people with approximately $3.5 billion in total payroll. While Association member companies conduct business worldwide, the U.S. aluminum industry ranks first in the world in annual primary aluminum production capacity, accounting for about 16 percent of world supply or over 4 million metric tons of metal. Overview The members of the Aluminum Association are fully committed to a fair and open world market for aluminum. The Aluminum Association strongly supports the initiation of global trade negotiations in the World Trade Organization (WTO). The Association supports a comprehensive approach to the phased-in reduction and elimination of tariffs over a multi-year period, not to exceed ten years. In addition, we believe that all aluminum producing, importing and exporting countries should participate in the Round, and that no country be required to reduce or eliminate its tariffs on a unilateral basis. Background The aluminum industry is global. The largest aluminum producers are multinational companies with production, fabricating and distribution facilities around the world. During 2000, world aluminum primary production totaled an estimated 24 million metric tons. The leading producing countries include the United States, Russia Canada, the European Union, China, Australia, Brazil, Norway, South Africa, Venezuela, the Gulf States (Bahrain and United Arab Emirates), India and New Zealand; together they represent more than 90 percent of the world primary aluminum production. The largest aluminum markets are North America, Europe and East Asia. The U.S. is both a major importer and exporter of aluminum. Approximately 33.5 percent of the U.S. supply of aluminum was imported in 2000 from foreign producers in the form of primary ingot and scrap. In 2000, U.S. exports mounted to 11.4 percent of U.S. producer shipments in the form of ingot, scrap and mill products. The free flow of aluminum products on a global scale is vital to the future success of the U.S. aluminum industry and we believe that the upcoming WTO Round will achieve this goal.

17. House(s) of Congress and Federal agencies contacted:
Commerce, Dept of (DOC)
HOUSE OF REPRESENTATIVES
SENATE

18. Name of each individual who acted as a lobbyist in this issue area:

Name: LARKIN, J. STEPHEN
Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above.**None**

Signature: ON FILE Date: Aug 12, 2005

Printed Name and Title: J. STEPHEN LARKIN - PRESIDENT